

# Exhibit D



# For Members Only: New collective membership models will provide more guaranteed NIL money to college athletes

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3.28.2022

**C**ollege collectives burst onto the scene a few months ago and quickly became recognized as the fastest and most efficient way to help college athletes make money off their name, image and likeness. Collectives facilitate the NIL deals and funnel payment for services rendered to the athletes.

In this rapidly developing and changing industry, the next iteration of business for these collectives already is taking shape — memberships that offer fans special insider access.

The collectives at **Auburn** and **Penn State** recently launched new premium member clubs for their fans that will provide them with a unique set of high-end experiences in exchange for monthly or annual fees.

As the old **American Express** axiom used to tout, membership has its privileges. The privileges in this case include unique VIP meet-and-greets and shopping within private marketplaces.

At NIL Auburn, the collective that serves the **Tigers'** athletes, membership into the "Auburn Family" costs \$1,000 per month or \$10,000 per year for the highest level, \$500 monthly for the mid-tier and \$250 monthly for the lowest level.

The most expensive package buys fans access to autographed memorabilia,

The Nittany Commonwealth collective representing Penn State is one of two collectives that's launching in the next few weeks in Happy Valley. It will include a premium membership model similar to Auburn's.

Several more collectives are expected to launch insider membership programs in the near future, according to David Hickson, an executive vice president at RektGlobal, the company that's behind the membership concept.

"It's a powerful model," said Hickson, who estimates that these memberships could generate anywhere from \$5 million to \$25 million in annual recurring revenue. "You're talking about just a thousand fans at \$10,000 creates \$10 million. It doesn't take a lot of numbers in a premium membership to start building a big war chest."

The collective business continues to grow, both in numbers and influence. There are close to 35 schools now that work with one or more collectives, and they've quickly become an integral part of the recruiting process in terms of bringing in new players and retaining the old ones because they deliver the NIL deals.

Many industry insiders say they'll be surprised if most schools in the Power Five conferences are not working with a collective by the start of football season.

"If schools and their supporters are not at least talking about the concept, they're going to be behind," said one NIL insider. "We work with some who have strong alignment with their supporters, and they get it. Others haven't even thought about it. It's all over the place."

If the 65 P5 schools each have a collective that pays out on average \$7.5 million to its athletes — a conservative figure — that would mean collectives would be paying out around \$500 million annually. That doesn't include schools outside of the P5 nor endorsement deals negotiated outside of the collectives. That's a huge funding requirement for them.

What the membership programs provide is predictable and consistent revenue for collectives that, while technically are unaffiliated from the athletic department, maintain a powerful position because their promises of NIL riches could help sway a recruit.

“Trying to put together a bunch of individual athlete deals has proven to be inefficient and chaotic on campus,” Hickson said. “So, these collectives set up in the middle, serving as intermediaries between players and the community of

supporters and businesses. They serve a very important function and the membership platform is another tool for them to use.”

How can Hickson project that kind of revenue from insider access? He’s done it before, delivering direct-to-consumer membership programs for **NASCAR** in 2004 and subsequently other non-sports properties like Turner Classic Movies (movie junkies), the Culinary Institute of America (foodies) and “This Old House” (do-it-yourselfers).

The NASCAR program was Hickson’s breakthrough, helping create a database of six million fans through a subscription model. Hickson said he studied other member programs, such as the Dave Matthews Band Warehouse and American Express’ Black Card “to look at how we could apply membership models to sports and their fanatical audiences,” he said.

Almost any entity with a large and rabid fan base could be a candidate and that was the basis for Hickson’s old business that he co-founded called Fullcube. One of Fullcube’s projects in tandem with RektGlobal was Rogue Nation, a club for esports enthusiasts with 230,000 members across 71 countries.

RektGlobal, a company of 150 employees that owns the London Royal **Ravens** and serves as the parent company for Rogue Nation, was so impressed that it acquired Fullcube in 2019.

Hickson, who is based in Charlotte, has spearheaded the effort to bring the

premium membership structure into the college space. RektGlobal recently formed an informal partnership with Athlete Licensing Co., another business that works with collectives to provide a back-end office and accounting solution for reporting NIL deals.

“The membership model has already proven to be effective in music, TV and fan engagement subscriptions,” said Bobby Bramhall, co-founder and president at Athlete Licensing. “This is yet another method for athletes who are public figures and highly skilled in their trade to monetize the value they bring to supporters.”

Not only does the model provide a significant source of revenue to share with the athletes, it’s also consistent and predictable for the collectives, some of which have struggled to build a reliable and sustainable business.

“The business model for collectives is not what you’d expect from a typical business,” the NIL source said. “A lot of them are raising funds and getting those funds to the athletes in the simplest, most transactional way possible. They zero out the account and start over.”

Hickson has guided RektGlobal, whose roots are in esports, into the college NIL space because of his experiences building membership models. Specific to NIL, RektGlobal built the Xchange Factor, which is the membership platform that enrolls members and audits the deals to make sure the athletes are meeting their obligations and getting paid. The platform also puts credit cards on file, collects the data and authenticates VIP access to exclusive events.

“It’s the easiest and quickest way to build up significant dollars in a collective,” Hickson said of the memberships.

It’s also a way to “send a strong message of support by the collective and the community, whether the recruits are coming out of high schools or the transfer portal. They can’t be induced, but they can be educated as to what NIL looks like.

“And it’s part of the calculus today that athletes are considering as they choose

what school to go to."

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